



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 15, 2009

TO: Mayor and Councilmembers

FROM: Environmental Services, Finance Department

SUBJECT: Voter Survey Regarding Single-Use Bag Tax

RECOMMENDATION:

That Council consider the recommendation from the Solid Waste Committee to conduct a voter survey about a possible tax on single-use paper and plastic bags applicable to retail establishments over 30,000 square feet and the amount of tax that voters would be willing to pay.

EXECUTIVE SUMMARY:

Paper and plastic single-use bags have significant negative effects on the environment. The City is in the midst of a voluntary program called the "Where's Your Bag Campaign", in cooperation with local grocery stores and community organizations, to educate and encourage shoppers to use reusable bags.

Other municipalities have attempted to implement bans on plastic bags with limited success due to challenges from the plastic bag manufacturing industry. Unfortunately, these approaches either ignore or fail to recognize the environmental impacts of paper bags, which would increase in usage because of a ban on plastic bags. There have been some efforts to regulate single-use bags at the State level, which primarily included proposed bills to impose a \$0.25 tax on single-use bags; however, these bills have stalled in the legislature. Staff believes it is important that any measures or programs considered include the reduction in both paper and plastic bags, and our current efforts, including the Where's Your Bag campaign, have incorporated this strategy.

At its November 5, 2009 meeting, the Council Solid Waste Committee recommended that the City commission a survey of voters about a possible tax on single-use bags applicable to retail establishments over 30,000 square feet and to determine the level of tax that voters would be willing to pay. If approved by Council, the Interim Finance Director will request proposals, select a vendor, and negotiate a scope of work to conduct a survey. It is anticipated that the cost of such a survey will not exceed \$50,000. The Interim

Finance Director will return to Council for approval of a contract for conducting the survey.

DISCUSSION:

What follows is a brief background on some of the issues related to programs designed to reduce the use of Single-Use Bags.

Environmental Impacts of Single-Use Bags

The City Council, the Solid Waste Committee, and staff have discussed the environmental effects of single-use bags on several occasions over the past three years.

Disposable, single-use plastic grocery bags are made primarily from natural gas, a non-renewable resource. Billions of plastic bags become litter and find their way into the marine environment where they can choke, strangle and starve wildlife and degrade water quality and seafood supplies. And, contrary to what is a commonly-held belief by consumers, paper bags are not the answer. The manufacture of paper bags is a resource and pollution-intensive process. Moreover, most paper bags are made from virgin tree pulp, instead of post-consumer recycled content paper. The average person uses over 500 paper and plastic bags per year and only a small percentage of each type of bag is recycled.

Single-use compostable bags are an option currently being considered by some localities. However, compostable bags have several drawbacks as well, including: 1) the use of manufacturing resources, 2) the potential for “flyaway” pollution in land and marine environments, 3) the lack of residential composting programs, 4) contamination of recycling loads, and 5) contributing to greenhouse gas emissions from the landfill.

There is a strong consensus among experts that the best alternative for the environment is a reusable bag. One reusable bag can eliminate thousands of single-use bags over its lifetime.

City's Voluntary Program

While single-use bags are clearly detrimental to the environment, in 2007 the Solid Waste Committee approved postponing any City efforts to ban bags so that staff could focus its efforts and resources on more pressing issues and initiatives that would have a significant impact on solid waste diversion from landfills, which is the Environmental Services Division's primary mission.

In September 2008, staff shared a new strategy with Council. The new approach, developed in consultation with members of the community including representatives

from Santa Barbara Channelkeeper and Choose to Reuse, would utilize volunteer staffing and community financial resources, in an effort to minimize the fiscal and workload impacts to the City's Environmental Services Division.

The new strategy includes:

- A Voluntary In-Store Educational Program,
- An Educational/Outreach Program for the Public, and
- Evaluating options for an ordinance mandating that stores take certain bag reduction measures.

The new strategy was refined with input from the Solid Waste Committee, from the community through two stakeholder meetings, and from local partners including Santa Barbara Channelkeeper, Choose to Reuse, Tri-County Produce, and the California Grocer's Association. City staff provides direction and supervision to the program.

The City's resulting "Where's Your Bag" campaign, which officially launched on August 28, 2009 in De la Guerra Plaza, is a comprehensive voluntary single-use bag reduction program designed to encourage people to bring reusable bags whenever they shop. The campaign works with participating stores to help them educate their shoppers. Participating stores include Albertson's, Foodland, Lazy Acres, Ralph's, Santa Cruz Markets, Scolari's, Tri-County Produce, and Vons. The campaign supplies these stores with educational materials, signs, and reusable bags. The campaign also produces media releases to educate the community about single-use bags. Participating organizations and stores have donated more than \$18,000 in cash donations, and over \$15,000 of in-kind services such as staff and volunteer time, a significant number of reusable bags and related contributions toward the campaign. An ordinance is still under consideration, pending the full implementation of the voluntary program.

Status of Bans on Single-Use Bags

A number of California municipalities have adopted ordinances prohibiting the distribution of plastic bags. These include San Francisco, Oakland, Los Angeles City and County, Fairfax, Malibu, Manhattan Beach, and Malibu. A coalition of plastic bag manufacturers has successfully sued some of the municipalities that have adopted plastic bag bans. The suits claimed the ordinances were "projects" subject to CEQA review, requiring municipalities to spend time and money on the environmental impacts of such regulatory approaches. There is an effort underway to create a Master Environmental Assessment (MEA) on single-use bags and reusable bags to provide the necessary background information for California municipalities to be able to comply with CEQA requirements. In the meantime, some recent plastic bag bans are being accomplished through voter initiatives, which are exempt from the requirements of CEQA.

Status of State Regulation of Single-Use Bags

Assembly Bill 2449 (Levine), passed into law in 2006, requires large stores and pharmacies to establish an in-store recycling program for clean plastic carryout bags and provide customers with the option of purchasing reusable bags, among other things. AB 2449 generally prohibits local governments from requiring additional reporting on the use of plastic bags from a covered store, or from imposing a plastic bag fee upon a store. However, the City Attorney's Office believes this would probably not prohibit a voter-approved tax on consumers using such plastic or paper bags.

Nonetheless, based on the experiences of other municipalities (see above) staff believes that it is likely that the American Chemistry Council (which represents plastic bag manufacturers) might attempt to challenge a City tax on single-use bags. They recently spent in excess of \$1 million in opposition to a ballot measure that would have imposed a \$0.20 tax on plastic and paper bags in the City of Seattle. The measure was defeated.

The State legislature also recently considered two bills that would put a \$0.25 fee on paper and plastic bags, AB 68 (Brownley) and AB 87 (Davis), which stalled in the legislature. The bills were very similar to AB 2058/2769 (Levine) from the prior legislative session, which also stalled.

The League of California Cities Environmental Quality Policy Committee has adopted several state-level legislative Policy Principles related to Single-Use Carryout Bags (attached).

Survey of City Voters

At its meeting of November 5, 2009, the Solid Waste Committee recommended that the City commission a survey of voters about a possible City tax on single-use bags applicable to retail establishments over 30,000 square feet and the amount of such a tax.

If approved, the Interim Finance Director will request proposals, select a vendor and negotiate a scope of work to conduct a survey. Topics for the survey might include voter support for a tax on such bags, the level of tax that voters would support, the level of combined City taxes and fees voters would support if the State also imposed a tax or fee on such bags, and the relative support for a tax versus a ban on single-use bags, among other things. The Interim Finance Director will return to Council for approval of a contract for conducting the survey.

BUDGET/FINANCIAL INFORMATION:

A tax on single-use bags has the potential to generate income for the City, the amount of which would depend upon the level of the tax and any increases in consumer use of

reusable bags. Whether a tax would be a general tax or a special tax, used for a particular purpose, would need to be part of the decision making process. A general tax would require a simple majority approval of voters; while a tax that is designated for a specific purpose would require a two-thirds approval.

Based on similar surveys conducted by other municipalities, staff estimates that the cost of conducting the survey will not exceed \$50,000. If approved, staff will request appropriation authority to cover the cost out of the Solid Waste Fund when staff returns to City Council to request approval of a contract.

SUSTAINABILITY IMPACT:

A single-use bag tax has the potential to reduce the environmental impacts related to the manufacture and disposal of single-use bags by increasing consumer use of reusable bags.

ATTACHMENT: League Policy Principles for Single-Use Carryout Bags

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APPROVED BY: City Administrator's Office

**League of California Cities
League Policy Principles for Single-Use Carryout Bags
(Environmental Quality Policy Committee)**

- 1) The League supports in concept legislation that charges a fee for all consumers for single-use carryout bags at the point of sale, however, the League does not have a position on the amount of the fee except that it should be set to modify consumer behavior.
- 2) Cities should be eligible for moneys generated from any fee placed upon single-use carryout bags, provided those dollars are used by the City to mitigate the effects of single-use carryout bags on the storm water, solid waste diversion, visitor education and awareness, and water quality in the city.
- 3) Any application for funding provided to Cities by single-use carryout bag fees should be streamlined, simple and not overly burdensome.
- 4) We support CEQA exemptions for single-use carryout bag bans (or a programmatic EIR by the CIWMB).
- 5) The League opposes any bill that would preempt local governments from individually banning or placing a fee on single-use carryout bags distributed within the city.